



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 26, 2013

The Honorable Noreen Evans
California State Senate
State Capitol
Sacramento, CA 95814

RE: OPPOSE SB 241 (Evans)

Dear Senator Evans,

I must respectfully oppose your SB 241, which would impose unfair and punitive tax rates on oil and natural gas production in our state.

The idea that oil production in California is tax free is a myth. The truth is California already has a statewide severance tax that funds state oil and gas regulators. We also tax oil companies in many other ways. These include property taxes assessed on oil in the ground, local extraction taxes, plus California's sky-high sales and corporate taxes.

When taken as a whole, the tax burden of California oil production is about average compared to other large oil producing states. This bill would increase that burden to the highest of large oil producing states, resulting in less oil production, increased reliance on foreign oil, higher gas prices and the elimination of nearly 10,000 California jobs.

There is a path to greater prosperity that would create more jobs, lower gas prices and economic growth with no new taxes. But to take this path, we'll need more domestic oil production, not less.

To keep energy jobs in our state we must stop the severance tax. For the reasons stated, I oppose SB 241.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER
Second District